

National Association of Home Builders

The Economic Impact of Home Building in Michigan

Income, Jobs, and Taxes Generated

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Housing Policy Department





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Executive Summary

Home building generates substantial local economic activity, including new income and jobs for residents, and additional revenue for local governments. The National Association of Home Builders has developed a model to estimate the economic benefits. The model captures the effect of the construction activity itself, the ripple impact that occurs when income earned from construction activity is spent and recycles in the local economy, and the ongoing impact that results from new homes becoming occupied by residents who pay taxes and buy locally produced goods and services. In order to fully appreciate the positive impact residential construction has on a community, it's important to include the ripple effects and the ongoing benefits. Since the NAHB model was initially developed in 1996, it has been used to estimate the impacts of construction in over 600 projects, local jurisdictions, metropolitan areas, non-metropolitan counties, and states across the country.

Since the NAHB model was initially developed in 1996, it has been used to estimate the impacts of construction in over 600 projects, local jurisdictions, metropolitan areas, non-metropolitan counties, and states across the country. This report presents estimates of the impacts of building 8,095 single family homes in the State of Michigan (see map below), based on permit data for the first 11 months of 2011 extrapolated to estimate construction activity for the entire year.

